

§ 1710.108

24 CFR Ch. X (4-1-04 Edition)

and local real estate brokers may not be interested in listing your lot.

(4) Any subdivision will have an impact on the surrounding environment. Whether or not the impact is adverse and the degree of impact, will depend on the location, size, planning and extent of development. Subdivisions which adversely affect the environment may cause governmental agencies to impose restrictions on the use of the land. Changes in plant and animal life, air and water quality and noise levels may affect your use and enjoyment of your lot and your ability to sell it.

(5) In the purchase of real estate, many technical requirements must be met to assure that you receive proper title. Since this purchase involves a major expenditure of money, it is recommended that you seek professional advice before you obligate yourself.

(b) Warnings. If the instructions or the Secretary require any warnings to be included in the Property Report portion, the following statement shall be added beneath the "Risks of Buying Land" under a heading "Warnings":

"Throughout this Property Report there are specific warnings concerning the developer, the subdivision or individual lots. Be sure to read all warnings carefully before signing any contract or agreement."

Both the heading, "Warnings", and the statement shall be printed in capital letters and enclosed in a box.

§ 1710.108 General information.

Insert and complete the following format:

"This Report covers — lots located in — County, (State). See Page — for a listing of these lots. It is estimated that this subdivision will eventually contain — lots."

"The developer of this subdivision is:

(Developer's Name)

(Developer's Address)

(Developer's telephone number)

"Answers to questions and information about this subdivision may be obtained by telephoning the developer at the number listed above."

§ 1710.109 Title to the property and land use.

(a) General instructions. (1) Below the heading "Title to the Property and Land Use" insert the following introductory paragraphs:

"A person with legal title to property generally has the right to own, use and enjoy the property. A contract to buy a lot may give you possession but doesn't give you legal title. You won't have legal title until you receive a valid deed. A restriction or an encumbrance on your lot, or on the subdivision, could adversely affect your title."

"Here we will discuss the sales contract you will sign and the deed you will receive. We will also provide you with information about any land use restrictions and encumbrances, mortgages, or liens affecting your lot and some important facts about payments, recording, and title insurance."

(2) Information to be provided. After the above introductory paragraphs provide the information required by the following instructions and questions. Follow a general form identical to the sample page printed in § 1710.102.

(b) Method of sale—(1) Sales contract and delivery of deed. (i) Will the buyer sign a purchase money or installment contract or similar instrument in connection with the purchase of the lot? When will a deed be delivered?

(ii) If an installment contract is used, include the following, or substantially the same, language in the disclosure narrative under "Method of Sale":

"If you fail to make your payments required by the contract, you may lose your lot and all monies paid."

(iii) If, at the time of a credit sale, the developer gives the buyer a deed to the lot, what type of security must the buyer give the seller?

(iv) If the lots are to be sold on the basis of an installment contract, can the developer or the owner of the subdivision or their creditors encumber the lots under contract? If so, include the following warning in the disclosure narrative under the caption "Sales contract and delivery of deed":

"The (indicate subdivision developer, owner, or their creditors) can place a mortgage on or encumber the lots in this subdivision after they are under contract. This may cause you to lose your lot and any monies paid on it."